

# IDAHO OUTLOOK

## NEWS OF IDAHO'S ECONOMY AND BUDGET

STATE OF IDAHO

DIVISION OF FINANCIAL MANAGEMENT

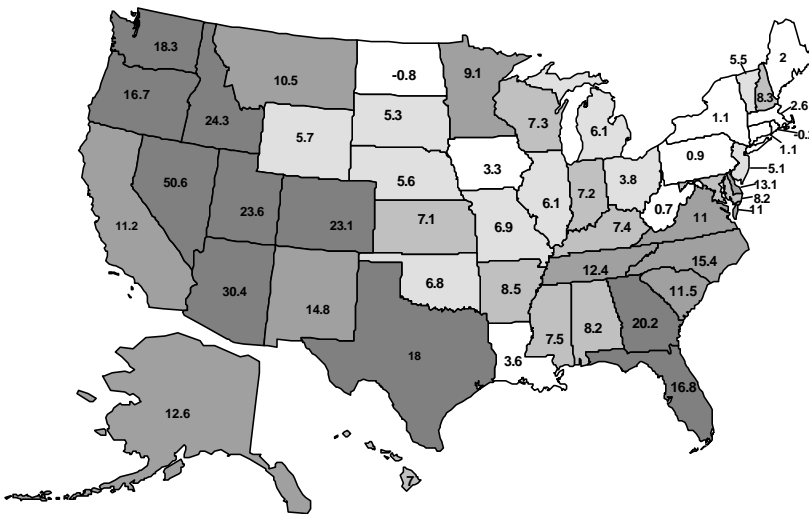
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**How's the Water?** Although last fall's crop has barely been harvested and it will be months before irrigation pumps are started, our thoughts turn to water. It is important to think about it now because winter and spring precipitation will determine how much of this priceless resource will be available later. Water's importance to the state's huge agricultural economy cannot be overstated. It also has an impact that goes beyond farming. For example, much of the state's burgeoning recreation industry revolves around the availability of water in one form or another. The abundance (and quality) of snow plays a huge role in the success of the Gem State's ski resorts. Traditional summer activities, such as boating, fishing, and white water rafting, also depend on water conditions. So far this water year, which began in October, is off to a mixed start. As the accompanying table shows, precipitation through December has been above average in northern parts of the state and lower in the south. For example, the Panhandle Region's year-to-date precipitation was 117% of average. In several southern river basins precipitation was half or less than half of normal. However, things are not as bleak as the lack of precipitation may imply. First, there are several months left in the water year. Second, thanks to previous strong water years, the state's reservoirs are in excellent shape. At the end of December, all but the Panhandle Region reservoirs were above their respective average year-to-date levels. This should give farmers one less thing to worry about this year.

Idaho Precipitation and Reservoir Levels		
Basin Area	Percent of Average As of December 31, 1999	
	Precipitation	Reservoir Level
Panhandle Region	117%	99%
Clearwater River	114%	103%
Salmon	83%	no major reservoirs
Weiser, Payette, and Boise Rivers	79%	111%
Wood & Lost Rivers	53%	113%
Upper Snake Rivers	54%	120%
Southside Snake Rivers	47%	107%
Bear Lake River	40%	118%

Source: USDA, Natural Resources Conservation Service

### Percent Population Growth, 1990-99



Source: U.S. Census Bureau

**A Decade of Growth.** The Florida State Seminoles and the Virginia Tech Hokies took to the gridiron earlier this month to decide which of these two undefeated football teams was the nation's best. Even before that contest's coin toss, another championship of sorts had already been determined. In late 1999, the U.S. Census Bureau released its state population estimates for July 1, 1999. These data show which states grew the fastest and slowest during the 1990s. According to this information, (drum roll, please) Nevada's population grew the fastest over the last decade. Thanks to incredibly strong migration, its numbers swelled an astounding 50.6%. Next in line was Arizona, where the population jumped 30.4%. Idaho's 24.3% growth placed it third in the population sweepstakes. Rounding out the top five were Utah (23.6%) and Colorado (23.1%). As the map shows, not only did western states account

for the top five spots, but they also made up most of the top ten fastest growing states. Interestingly, Idaho was near the epicenter of growth. Four of the nation's ten fastest growing states share borders with the Gem State. At the other end, three states actually lost population in the 1990s. They were Rhode Island, Connecticut, and North Dakota. New York and Pennsylvania were the two slowest growing states. In general, the population moved from the East and Midwest to the West and South. This reflects the ongoing migration toward the Sunbelt states like Florida. Not only did Florida grow faster than Virginia did, the Seminoles beat the Hokies in the Sugar Bowl. However good that game was, most Idahoans would argue it pales in comparison to the Boise State Broncos' 34-31 Humanitarian Bowl victory over the Louisville Cardinals. The victory marks the second straight year an Idaho team has won this game. Last year the University of Idaho Vandals beat the Southern Mississippi Eagles, 42-35. Diehard sports fans no doubt hope this is the start of a trend that will perform as well as the Gem State's population did in the last decade.

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## General Fund Update

As of December 31, 1999

<u><b>Revenue Source</b></u>	<u><b>\$ Millions</b></u>		
	<b>FY00 Executive Estimate<sup>3</sup></b>	<b>DFM Predicted to Date</b>	<b>Actual Accrued to Date</b>
Individual Income Tax	892.2	394.2	391.9
Corporate Income Tax	99.3	48.2	50.7
Sales Tax	617.6	319.4	320.5
Product Taxes <sup>1</sup>	15.8	8.2	8.2
Miscellaneous	83.4	38.5	42.2
<b>TOTAL GENERAL FUND<sup>2</sup></b>	<b>1,708.4</b>	<b>808.5</b>	<b>813.5</b>

<sup>1</sup> Product Taxes include beer, wine, liquor, and cigarette taxes  
<sup>2</sup> May not total due to rounding  
<sup>3</sup> Revised Estimate as of January 2000

General Fund revenue collections exceeded the predicted amount for December by \$5 million. Most of the excess (\$3.7 million) was in the Miscellaneous category and consisted primarily of one-time gains. The Corporate Income Tax and Sales Tax also contributed to December's strength, while the Individual Income Tax came in below the predicted amount for the second consecutive month.

The Individual Income Tax was \$2.3 million short of the expected amount for December. All major components were off. Filing collections were \$1.3 million lower than expected. Withholding collections were \$0.9 million low. Refunds were \$0.3 million high. These three negative elements were slightly offset by miscellaneous diversions that were \$0.1 million lower than predicted for December.

Corporate Income Tax collections were \$2.5 million ahead of the target for December. This relatively small variance masks an incredibly wide range of fluctuation within the components that make up the Corporate Income Tax. Quarterly estimated payments of \$29.7 million in December were \$15.5 million higher than the projected amount, beating the previous record of \$29.6 million set in December 1995 (the peak of Micron's mid-90s heyday). This phenomenal strength was largely offset by a combination of weak filing collections (\$3.8 million low) and strong refunds (\$9.3 million high).

Sales Tax collections were \$1.1 million more than expected in December. This may seem unlikely in view of Sales Tax collections that were actually \$2 million lower in December 1999 versus December 1998. The explanation lies in the fact that a \$6.5 million audit payment was received in December 1998.

Product Tax revenue was exactly on target for the month of December, and Miscellaneous revenues were ahead by \$3.7 million. Two items account for the majority of the miscellaneous category excess, both unanticipated in the current forecast. The Insurance Premium Tax received \$1.7 million due to a refund of previously taken guaranty association offsets, and an unexpected transfer of \$0.9 million from Boise State University increased the miscellaneous transfer category.